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Wolcott, A.

Money

[Wolcott, Ind.?]

[1893?]

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MASTER NEGATIVE #

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MONEY.

Under Present Conditions, the United States has no Free Choice.

NECESSITY IS DICTATOR.

A Wolcott.

THE GOLD BASIS IS BUT A TRAP.

Even if an adequate supply of gold to meet the wants of this nation with money resting on a gold basis, and if the other nations which are having recourse more to gold; as is proven by the struggle for the possession of gold, and by the distressing derangements extensively prevailing in different parts of the world, wholly owing to an inadequate gold supply, for those seeking gold. Witness the downfall of the Argentine Republic and the ruin of the old and honored banking house of Baring Brothers of London, England. Witness the struggle of Italy striving for a gold basis; the ruin of gold [illegible] poverty stricken. Australia with never to be able to maintain, any more successfully, than did Italy; and the world-wide extensive bankruptcies and [illegible] Australia. All these [illegible] and over-borrowed nations were [illegible] great money [illegible] Europe, to assume to be upon a gold basis; without the possibility of gold to maintain such basis. But one truth encouragement is the effort to become established upon a gold basis will never [illegible]. To the wreckages of the great projectors, promoters and [illegible] whom the money makers have wrought they can look at their own grave things of greatest value. What matter it to them what destruction they bring upon [illegible] if they [illegible] many millions of flesh, and blood, as well.

More true and more interesting to us, is the [illegible] our own country. Ever since the close of the war, [illegible] United States has presented to European money lenders [illegible] most extensive and most profitable fields for [illegible] money. South America, Africa and Australia, [illegible] with the United States, have not been very [illegible] for investments; and while those countries [illegible] we know, [illegible] European moneys, the United States [illegible] very much more — Hugh McCulloch, ex-[illegible] of the Treasury, in his report for the year 1878 estimated that Europe [illegible] $8,000,000,000 of American [illegible]

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ties, "on the greater part of which interest was being paid in gold." He says railroad and other stocks are not included in this estimate. He further says, "we are even now increasing our debt to Europe, at the rate of $60,000,000 to $70,000,000 per annum in gold bearing bonds." He further says, "Of the $1,300,000,000 of the gold and silver products of California and the territories, produced since 1848, we have exported $1,100,000,000."

WAS THIS VAST EXPORT OF GOLD AND SILVER, LARGELY GOLD, IN ANY PART, REALLY DUE TO THE SHERMAN SILVER LAW, ENACTED IN 1890?

The monetary Commission appointed by the Government of the United States in 1876, estimated that the foreign indebtedness of the United States, could not then be less than $2,000,000,000. Since 1876, foreign investments, mostly English, have continued to increase very largely.

Mr. Gladstone, in a speech in the English Parliament, against bi-metallism, as published March 1st, 1893, in the London Standard, stated, "The United Kingdom has invested outside of the United Kingdom, two thousand millions of money, (Sterling), and the amount is constantly increasing." This two thousand million (Sterling), is $10,000,000,000, and is mostly on a gold basis. As there are in all the world, but about $3,500,000,000 in gold; in money, on a gold basis, Great Britain completely dominates the world. World-wide financial disorders are prevailing, owing to the efforts of money lenders for their own profit, to establish gold as the single, and universal money standard, without the gold existing in existence, to meet such extensive and universal use; even if gold were equally distributed among the nations of the earth.

Much more serious than a general lack of gold, for all the world's monetary uses; is the UNEQUAL DISTRIBUTION of gold among the various nations. Some have much, others but little, or none.

Mr. Gladstone says Great Britain has invested $10,000,000,000, on a gold basis, outside Great Britain. Of this amount probably $4,000,000,000 or $5,000,000,000, are invested in the United States. As related to us, Great Britain has the financial strength of a great CREDITOR NATION; the United States the financial weakness of a great DEBTOR NATION.

Our gold can be called from us, whenever the interests, necessities, or caprices of foreign investors, or creditors dictate the call. AND WE ARE HELPLESS TO RESIST THESE CALLS, as long as we, in practice, maintain the single gold standard; as witness the current financial history of the day. On the single gold standard with the present great demand for, and the limited supply of, gold, NO DEBTOR NATION CAN MAINTAIN SUCH GOLD STANDARD, AS AGAINST A CREDITOR NATION; EXCEPT BY SUFFERANCE.

Practically, the United States are borrowing gold on call. In this regard we have no independence, whatever. Let the United States, by legal enactment, or otherwise, make gold the exclusive money basis, and we will be a completely RUINED people. As the result of what has been done by the Government of the United States, already, and as the result of what is foreshadowed, the industries of the country have been paralyzed; business men have been bankrupted; laboring men have been thrown out of employment; and a universal depreciation of property has occurred. East, West, North, and South; everywhere throughout the United States, and to an amount, within the last six months, EQUAL TO THE WHOLE MONEY COST OF THE LATE WAR. For whose benefit is this? Not the people of industry, for they are suffering. This wreck and ruin is for the profit of the money lenders of Europe and the United States. Out of the depreciated property values in railroad and every other kind of investments, the money lenders select their prey at their own prices, and those who before were exhorbitantly rich, become richer at the expense of, and by sacrificing the men of industry, who are the stay and support of the nation.

The money lenders and their advocates say they do not want CHEAP money. For once, they have not lied. They do not want cheap money. They want it as dear as by any possibility they can make it. But there is no cheap money, in the United States. Of whatever material it may be; in whatever form it may exist; to whatever issue in money form, the laws give the money function, all is equally money in the United States, to pay all debts and obligations, and to purchase all kinds and forms of property. What can our people desire more? What can they have better?

In the effort, to exclude silver from the money use in the United States, which the money lenders falsely call cheap money, the money lenders have made cheap labor; cheap farms; cheap factories; cheap wheat; cheap corn; cheap cotton, cheap everything, among us, that has its value measured by money; and a cheap nation, for all we have seems to be in the market, at the depressed prices, five to by the money lenders.

The gold monometalists falsely claim that the export of gold is caused solely by the existence of the silver certificates, issued under what is called the Sherman law of 1890. The Director of the mint, in his report for 1892, (page 42) states "The heavy export of gold commenced in 1888, aggregating to July 1889, $41,435,989. In the summer of 1890 another movement commenced, which continued for two months with a total export in that brief period, of $15,372,982."

THE SHERMAN LAW HAD NOT THEN BEEN ENACTED.

As a result of the collapse of the Argentine Republic's securities in 1890, the failure of the banking house of Baring Brothers; in 1891, gold was exported to the amount of $70,233,404. No Sherman law in this. Gold was taken because it was needed.

The direct effect of all withdrawals of gold from the Treasury, on deposits of legal tender, paper currency, is to reduce the volume of our circulating medium to the extent of such deposites; as the current receipts of the Treasury equal the disbursements, unless such deposites in the Treasury of legal tender, paper money, shall be loaned to, or be depos

ized by the Secretary of the Treasury to issue. And if another $100,000,000 or any other amount of Government bonds should be negotiated for gold, to be deposited in the Treasury to strengthen the gold supply, such gold deposits can be drawn out by depositors at the Treasury of legal tender paper currency, and to the extent of such withdrawn deposits, there would result a certain and direct reduction of the circulating medium. As the gold is drawn from the Treasury, paper money takes its place, and is set free from use, as shown by the necessity for the large issues of clearing house certificates by the Banks of the City of New York which certificates are a substitute of currency and by the generally shortened supply of currency among all the Banks of the country. If the United States shall have such a supply of money, as will properly represent all property values, and such as is required for the best condition of its productive interests, and exchanges, imperative necessity demands that the issue be limited in proportion to the extent of the country, the number of the inhabitants, the amount of property and business which require a money representation. regardless of all interests except the interests of the people of the United States. There are methods by which we can meet our foreign obligations, without the folly of self-destruction. The Sherman law should not be repealed, except in favor of some law that will assure to the American people, a fuller supply of money for Americans.

A. Wolcott.

Wolcott.

August 1st, 1893. Ind.

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